



MEMORANDUM

TO: Members of the General Assembly

FROM: Scott Farmer
Executive Director

DATE: March 28, 2018

SUBJECT: 2017 HOME Program Performance Report

This report is being filed in accordance with Session Law 1993-321, requiring the North Carolina Housing Finance Agency ("Agency") to report annually on the status of the federal HOME Program.

The Agency has used HOME and HOME match funds to finance housing for thousands of North Carolinians. This work supports thousands of jobs in residential construction and related industries across the state and provides state and local tax revenues. The Agency's work creates private/public partnerships to assist families in buying their first home and in building safe and attractive rental communities that revitalize neighborhoods and provide needed housing for seniors, working families, and people with disabilities.

Since 1993, the Agency has successfully invested \$565.7 million in federal HOME Program funds and State matching funds. These funds have:

- helped 11,010 low-income families buy their first home
- financed 12,821 affordable apartments through private/public partnerships
- rehabilitated 5,315 substandard homes owned primarily by low-income seniors
- provided operating assistance to produce affordable rents for 1,498 households

Cumulatively, these funds have also supported approximately 39,000 jobs statewide and \$300.9 million in state and local tax revenues.

In 2017, the Agency provided financing of \$33.4 million in HOME Program funds and State matching funds to develop, acquire, or rehabilitate 1,345 housing units. Additionally, the Agency provided operating subsidies of approximately \$476,000 to make 134 apartments affordable to persons living on disability income.

The State matching funds and HOME Program funds provided in 2017 leveraged an additional \$133.6 million, resulting in the development of \$167 million in affordable housing. The 2017 financing provided will support approximately 2,400 jobs and \$7.1 million in state and local tax revenues.

If there are questions, please call me at (919) 877-5641.

Scott Farmer
Executive Director

HOME Investments Partnerships Program (HOME)

The HOME Program is a federal block grant to states and local participating jurisdictions requiring a 25% match of State funds. Both the state and federal programs are administered by the North Carolina Housing Finance Agency and are used to produce affordable housing in partnership with local governments, for-profit developers, and nonprofit housing producers. HOME funds can be used to build rental and home ownership units, to reconstruct and rehabilitate rental and owner-occupied housing, to assist home buyers, or to provide rent subsidies.

I. Total Awards Using Federal HOME Funds in CY 2017

Housing units financed	1,002
Financing provided	\$29,460,230
Value of housing and rehabilitation	\$123,586,532

II. Priorities Met in CY 2017

Priorities for the 2017 HOME funds were set in the 2016-2020 North Carolina Consolidated Plan. High priority needs received 89.6% of financing provided.

High Priority Need

- Homeless families and individuals
- Non-homeless persons with special needs
- Households at or below 30% of area median income
- Households between 31% and 60% of area median income

Lower Priority Need

- Households between 61% and 80% of area median income

Activities supported with HOME funds in 2017 include supportive housing development, home buyer assistance, rental housing production, and housing rehabilitation.

State-Appropriated Matching Funds (HOME Match)

The federal HOME Program requires a 25% match of State funds. In recent years, the General Assembly has appropriated a portion of the required 25%, and the remainder has been supplied by the North Carolina Housing Finance Agency out of its other activities.

I. Total Activity Using State-Appropriated Match Funds in CY 2017

Housing units financed	343
Financing provided	\$3,938,243
Value of housing and rehabilitation	\$43,458,901
People with disabilities who received rent assistance	134
Operating subsidy provided	\$476,037

II. State Priorities Met in 2016

According to Session Law 1993-321, the Agency shall give priority for State-appropriated matching funds to finance housing 1) in economically distressed counties as designated by County Tier (determined annually by the NC Department of Commerce) and 2) for households with incomes less than 50% of the local median family income.

Priorities for HOME Match Projects

Activities supported with HOME match funds in 2017 included rental housing production and housing for disabled populations. In 2017, half of all match funds went to priority households that were in economically distressed counties or that served very low-income households.

Key Program

Since 2004, the Agency, in partnership with the Department of Health and Human Services, has operated the Key Program, which is funded from State-appropriated HOME match and operating subsidy funds. Key operating assistance is limited to adults receiving disability-based income from Social Security (SSI and SSDI) or other state/federal programs (such as the Veterans' Administration) and whose total household income generally does not exceed thirty percent (30%) of the area median income. However, assistance is allowed if income does not exceed fifty percent (50%) of area median income. Thus, all Key assistance falls under the funding priorities for State matching funds. Since 2004, 4,657 households have been assisted through the Key Program.